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Stanley Kuriyama, Chair, and Nora Nomura, Vice-chair, guided the activities of the Laws and Rules Review Committee during fiscal 1996. The Committee is responsible for the Commission's legislative activities, rulemaking, the real estate recovery fund, and applications processing.

This year legislation amending chapter 467 clarified existing law on waivers of the continuing education requirement.

The Legislature also made numerous changes to the Mandatory Seller Disclosures Law (Ch. 508D, HRS), including amending the definition of "material fact."

One of the Committee's primary programs during the year was the revision of Chapter 99 of the Hawaii Administrative Rules. Work on this substantial program began in 1995 and carried over into 1997. Completion of a draft is expected in 1997.

The Committee's goal is to streamline procedures and simplify the rules without compromising consumer protection.

As part of its neighbor islands outreach program, the Committee, which meets monthly, convened meetings in Kona in October and in Wailuku in April.

The Committee oversees the administration of the real estate recovery fund. During 1996, the Commission received twenty-seven notifications of possible claims against the fund. Based on a statutory maximum of \$25,000 per transaction, the twenty-seven cases, involving sixty licensees, represent a potential liability of \$675,000.

In 1996, the recovery fund paid out \$105,554 in claims in four cases involving three licensees. Since its inception in 1967, the fund has paid a total of \$1,790,335 in claims against 103 licens-

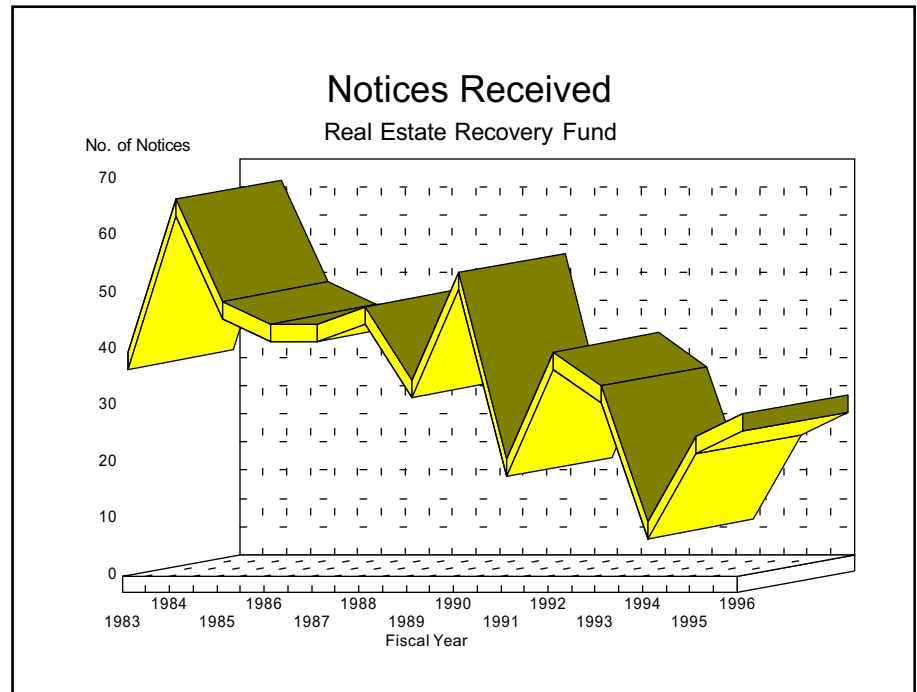


Fig. 1

ees. Figures 1 and 2 provide historical perspectives of recovery fund notices received and claims paid. The Commission continued its participation in a program to intercept state tax refunds due to licensees on whose account recovery fund claims have been paid. The Committee is also exploring other collection methods. For the second year, the Commis-

sion participated in the ARELLO disciplinary action data bank.

Through the data bank, member jurisdictions share information on licensees who have been subject to disciplinary action.

The data bank is a valuable tool in the Commission's background review process.

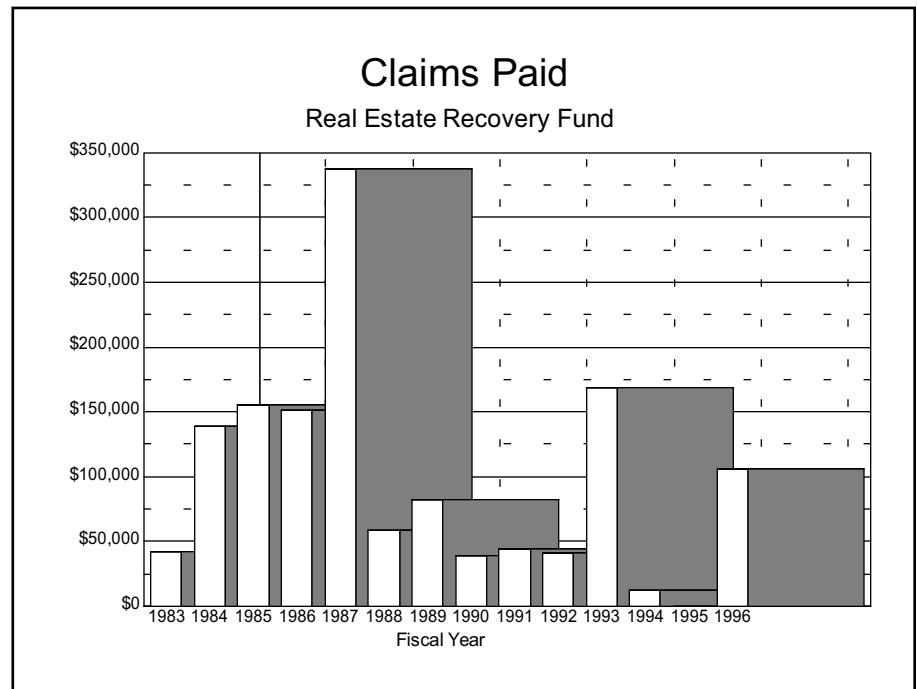


Fig. 2